



# PNC Infratech Limited

An ISO 9001 : 2015 Certified Company

Ref No: PNC/SE/103/22-23

Date: 18-02-2023

To,  
The Manager  
Department of Corporate Services  
BSE Limited  
Floor 25, P.J. Towers,  
Dalal Street, Mumbai-400 001  
Scrip code:539150

To,  
The Manager  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, BandraKurla Complex,  
Bandra (East), Mumbai-400 051  
NSE Symbol: PNCINFRA

Dear Sir,

**Sub- Transcript of Q3 FY 23 Earnings Conference Call on Financial Results for the quarter & nine months ended December 31, 2022**

Pursuant to Regulation 30 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the transcript of earnings conference call on Financial Results for the for the quarter & nine months ended December 31, 2022 held on Wednesday, February 15, 2023.

You are requested to take this information on your record.

Thanking you,

**For PNC Infratech Limited**

**Tapan Jain**  
**Company Secretary & Compliance Officer**  
**ICSI M. No.: A22603**

Encl: a/a



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“PNC Infratech Limited  
Q3 FY '23 Earnings Conference Call”  
February 15, 2023



Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 15<sup>th</sup> February 2023 will prevail.

**MANAGEMENT:** **MR. YOGESH KUMAR JAIN – MANAGING DIRECTOR – PNC INFRA TECH LIMITED**  
**MR. B. SAWHNEY – CHIEF FINANCIAL OFFICER – PNC INFRA TECH LIMITED**  
**MR. D. K. MAHESHWARI – VICE PRESIDENT, FINANCE – PNC INFRA TECH LIMITED**  
**INVESTOR RELATIONS TEAM – STRATEGIC GROWTH ADVISORS**

**MODERATOR:** **MR. JITEN RUSHI – AXIS CAPITAL LIMITED**

**Moderator:** Ladies and gentlemen, welcome to Q3 FY '23 Earnings Conference Call of PNC Infratech Limited, hosted by Axis Capital Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements do not guarantee the future performance of the company, and it may involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

Now, I hand over the conference to Mr. Jiten Rushi from Axis Capital Limited. Thank you, and over to you, sir.

**Jiten Rushi:** Good evening, ladies and gentlemen. On behalf of Axis Capital, I'm pleased to welcome you all the PNC Infratech Limited Q3 FY '23 Earnings Conference Call. We have with us the management team of PNC Infratech, represented by Mr. Yogesh Kumar Jain, Managing Director, Mr. B. Sawhney, Chief Financial Officer, and Mr. D. K. Maheshwari, Vice President, Finance. We also have with us the Investor Relations team of Strategic Growth Advisors. We will begin with the opening remarks from the management, followed by interactive question-and-answer session.

Thank you, and over to you, sir.

**Yogesh Jain:** Good afternoon, everyone. On behalf of PNC Infratech Limited, I extend a very warm welcome to everyone for joining us today on this call.

I have with me Mr. T.R. Rao, Director (Infra), Dr Bhupinder Sawhney, Chief Financial Officer, Mr. D. K. Maheshwari Vice President (Finance) and our Investor Relations Advisor.

We have uploaded the financial results and Investor Presentation on the Stock Exchanges as well as Company's website for your reference.

Initially, I would like to mention key updates in the industry including recently announced Union Budget for the Financial Year 2023-24, followed by key operational developments of the Company and highlights of financial performance during Q3 and 9M of FY 23, post which we will be happy to respond your questions.

- As per the MoRTH data, till the end of December 22, 7,263 km length of highways were awarded, a rise of around 18% over the same period in the previous year.

- As far as the construction of highways is concerned, 5,774 km length of highways constructed till December'22, as against the target of 12,000 km for the entire FY23.
- Progress of highway execution hampered in many regions of the country during the third quarter due to prolonged monsoon that extended till the third week of October 2022.
- In the Union Budget, Government continued its focus on infrastructure development, across the core sectors.
- Government announced a hike in capital expenditure for overall spending on infrastructure development by 33% to Rs 10 lakh crore for FY 24, which will be around 3.3 per cent of the GDP.
- Government allocated an outlay of Rs 2.7 lakh crore for highways sector in FY 24, a yearly increase of 24% over the revised allocation of Rs 2.17 lakh crore in FY 23.
- Allocation to NHAI increased to Rs 1.62 lakh crores from last year's revised allocation of Rs 1.42 lakh crore, a hike of 14% Year on Year.
- Government allocated Rs 97,278 crore to the Ministry of Jal Shakti, up by nearly 41% from last year's allocation of Rs 69,053 crore.
- Allocation to 'Jal Jeevan Mission' has also been increased by nearly 27% Year on Year to Rs. 69,684 crores.
- With the higher allocation for the above sectors, more business opportunities are expected in FY 24.

**Now coming to the key updates of Company**

- During the 3<sup>rd</sup> Quarter of FY 23, the company achieved financial closures by respective due dates, for all seven HAM projects for which concession agreements signed during the first half of current financial year.
- Out of the seven new HAM projects, appointed dates received for five projects, starting from 10<sup>th</sup> November 2022 till 1<sup>st</sup> February 2023.

- Appointed dates for the remaining two HAM projects, namely Mathura Package 1b and Sonauli-Gorakhpur are expected before the end of current financial year.
- During the quarter, Company received Rs. 3.6 crores towards an arbitration award published in its favor, from Military Engineer Services (MES), Government of India in a construction contract namely 'Resurfacing of Runway and Allied Works at AFS Panagarh, West Bengal', executed earlier.
- We are happy to share that CARE Ratings has upgraded the Company's long-term bank facilities to CARE AA+ with a stable outlook from CARE AA and reaffirmed the company's short-term bank facilities to CARE A1+.
- Credit rating of two subsidiaries have been upgraded
  - Khajuraho Highways Private Limited has been upgraded to CARE AA with Stable Outlook from A+.
  - PNC Bundelkhand Highways Private Limited has been upgraded to AA+ from A+.
- Company's continued pursuit to strengthen the balance sheet coupled with prudent financial management helps ratings upgrade consistently.

**Now I will share operational and financial performance of the company.**

- At present, the company has a total of 23 fund based projects on various PPP formats including BOT-Toll, BOT Annuity and HAM.
- Out of these 23 projects, we have 18 HAM projects with a total Bid Projects Cost of Rs. 24,590 crores.
- We achieved COD/PCOD of 5 HAM projects, 13 projects are under construction.
- In terms of equity investment, total requirement for all these 18 HAM projects is approx. Rs. 2,440 crores, out of which we have already infused Rs. 1,176 crores till December 2022 and the balance will be infused over the next 2-3 years.
- The internal accruals that would be generated over the next 2-3 years should be sufficient to fund the total equity requirement.

**Now moving on to our order book.**

- Our unexecuted order book on 31<sup>st</sup> December 2022 is over Rs. 17,800 crores that includes EPC value of all the seven new HAM projects.
- Out of the total order-book of over Rs. 17,800 crores, the road & highway sector is over 65%, and Water projects is about 35%.
- In Rural Drinking Water Projects Under JJM, the company has booked a total revenue of Rs. 615 crores till 31<sup>st</sup> December 2022, which included Rs. 108 crores revenue booked during the previous financial year.
- During the 9 months of FY 23, total Rs. 507 crores revenue was booked from Phase I & II of water supply projects.
- We expect a total revenue up to Rs. 900 crores in FY 23 from the drinking water sector projects.
- As the government signs cover agreements of approved schemes progressively for execution, we expect balance executable work would be around Rs. 3000 crore at the end of FY 23 and cover agreements for all the remaining schemes are expected to be signed during the next financial year.

**Now I would present Standalone and Consolidated results for the Quarter and 9 Months ended December 31, 2022.****ON STANDALONE BASIS**

Revenue for 3<sup>RD</sup> quarter of FY23 is Rs. 1,627 CRORE which is higher by 7%.

EBITDA for the 3<sup>RD</sup> quarter is Rs. 208 crore which is higher by 26%.

Profit for the 3<sup>RD</sup> quarter of FY23 is Rs. 129 crore, which is higher by 59%.

**ON CONSOLIDATED BASIS**

Revenue of Q3 FY23 is Rs. 1,803 crore as compared to Rs. 1,722 crores in Q3 of FY22, showing a growth of 5%.

Consolidated EBITDA for the 3<sup>RD</sup> quarter of FY23 is RS. 345 crore higher by 6% as compared to Rs. 325 crore for the 3<sup>RD</sup> quarter of last year

Consolidated PAT for Q3 FY23 is Rs. 140 crore as compared to Rs. 83 crore in Q3 FY22, showing growth of 68%.

Standalone revenue for 9 month of FY23 is Rs. 4,946 crore which is higher by 13% as compared to Rs. 4,388 crore in 9M of FY22.

EBITDA for 9 month of FY23 is RS. 673 crore which is higher by 20% as compared to RS. 563 crore for 9 month of FY22.

PAT for 9 month of FY23 is Rs. 427 crore as compared to Rs. 310 crore in 9 month of FY22, with a growth of 38%.

Consolidated revenue for 9 month of FY23 is RS.5,651 crore as compared to RS. 4,982 crores in 9 month of FY22, with a growth of 13%.

Consolidated EBITDA for 9 month of FY23 is Rs. 1,189 crore which is higher by 13% as compared to Rs. 1,054 crore for the corresponding period of last year.

Consolidated PAT for 9 month of FY23 is Rs. 512 crore as compared to Rs. 333 crore in 9 month of FY22, with a growth of 54%.

**ON THE STANDALONE BALANCE SHEET SIDE,**

As on 31<sup>ST</sup> December 2022, our net working cycle is 82 days and our debtor days has improved to 67 days as on 31<sup>ST</sup> December 2022 from 74 days as on 31<sup>ST</sup> March 2022.

On a standalone basis our net worth is Rs. 3,752 crores as on 31<sup>ST</sup> December 2022 whereas total standalone debt is Rs. 150 crores and all of which is equipment finance debt.

As on 31<sup>ST</sup> December 2022, we do not have any working capital loan. The total cash and bank balance as on 31<sup>ST</sup> December 2022 is Rs. 365 crore. We have a net cash of Rs. 215 crore. This translates to net debt to equity of 0.04 times.

On a consolidated basis, our net worth is Rs. 4,125 crores whereas total debt is Rs. 5780 crores as on 31<sup>ST</sup> December 2022. The total cash & bank balance including current investments is Rs. 1,100 crore. This translates to net debt to equity of 1.40 times.

With this, we now open the floor for question and answer.

- Moderator:** We have our first question from the line of Shravan Shah of Dolat Capital.
- Shravan Shah:** Sir, just to recheck the guidance in terms of the revenue, EBITDA margin and then I want to ask on the order input front. So for this year and the next year revenue guidance and EBITDA margin?
- D.K. Maheshwari:** This year in FY '23, we are expecting EBITDA margin around 13.3% to 13.5%.
- Shravan Shah:** And revenue guidance for this year?
- D.K. Maheshwari:** 10% as compared to FY '22 growth.
- Shravan Shah:** For FY '24?
- D.K. Maheshwari:** In the range of 10% to 15% as compared to FY '23.
- Shravan Shah:** And the similar 13.5% margin is one can see for FY '24 also?
- D.K. Maheshwari:** More or less, yes.
- Shravan Shah:** . There is a significant tender pipeline is there so just wanted to recheck in terms of the order inflow. So we were looking at INR 8,000 crores to INR 10,000 crores for this year and next INR 10,000 crores. So, how much you are planning to bid before March and how much are we expecting?
- Yogesh Jain:** There are more than 100 projects NHAH already, NHAH and Ministry of a value more than INR 110 lakh crores. So these bids are expected to be received before 31, March. There is a very robust pipeline is there. So we have selected certain projects. Majority of these projects are selected for bidding. So we'll be bidding these projects. And still, we are hopeful of getting INR 8,000 to INR 10,000 of new order book before end of the current financial year.
- Moderator:** The next question is from the line of Nikhil Abhyankar of DAM Capital.
- Nikhil Abhyankar:** Congrats on a good set of numbers. So sir, now that we have received appointment date for five projects and only remaining for two projects, what is the executable order book right now?
- D.K. Maheshwari:** It is 17,800 as of 31, December.
- Nikhil Abhyankar:** Sir, what will be the value of these projects? Somewhere around INR 15,000 crores?
- Yogesh Jain:** The entire order book is executable.
- Nikhil Abhyankar:** So then, I was asking this question in regard of only 10% to 15% revenue growth for next year. So can we expect to beat that guidance going forward?
- T.R. Rao:** See, we can't speculate of now how things will unfold, but we are expecting 15% growth. Always we aspire for the bidding but as of now, we don't want to see anything more than 15%.
- Nikhil Abhyankar:** And sir, any update on the monetization front?



- D.K.Maheshwari:** Already we have informed in the last call that highest priority given to the monetization of fund-based project of the company. In the first lot, total 12 projects selected or motorization, including 11 HAM and one BOT toll project. 12 projects would have a total debt around INR 6,800 crores and total equity of around INR 1,550 crores. Strategic Adviser retained for running the monetization process due diligence 3 HAM projects under the by potential investor. For remaining nine projects, NDA, we have already signed with seven potential investors who showed interest in the portfolio and due diligence are under process. We will keep you updated on the progress as we have moving forward.
- Nikhil Abhyankar:** So should we expect the closure in this financial year?
- Yogesh Jain:** FY '24, it should be finalized.
- Moderator:** The next question comes from the line of Ashish Shah of Centrum Broking Limited.
- Ashish Shah:** Sir, first question is on the new seven HAM assets. Sir, when I look at the financially closed cost, the EPC that is higher than the BPC that we had originally bid for last year. Generally, financially closed cost is a little lower than the BPC. So can you help us with the escalated BPC, I mean how, because obviously, there would have been some escalation also. So I'm just trying to think how different is the EPC from the escalated BPC?
- D.K. Maheshwari:** Our EPC is inclusive of GST, 18%.
- Yogesh Jain:** A major impact of 18%.
- Ashish Shah:** So you're saying the BPC is inclusive of the GST, which is applicable on the EPC project value, whereas the BPC did not include that?
- Yogesh Jain:** Yes, because as per NHAI current policy, what we need to quote BPC is exclusive of the applicable GST.
- Ashish Shah:** Sir, earlier in the FY '21 HAM assets, this thing was not there, is it?
- T.R. Rao:** Yes. Earlier in between, actually, there were four, five models before 2017, completely changing, then for a certain period they included GST, then certain period not again, they included, so this has happened. But currently, all BPC are exclusive of GST component.
- Yogesh Jain:** Actually, all the seven projects, we have finalized the financial closure 82% debt and 18% equity. From TPC we have to reduce the milestone payment 40%. The remaining 60% is 82%-18% in all the seven projects.
- Ashish Shah:** So the proportion of equity is around 18%. Sir, the other thing is on the JJM projects. There, so we did say that we'll have an opening backlog of INR 3,000 crores, which will be DPR approved for next financial year. Now what is the revenue that we expect for next year? Earlier, we had said around INR 2,500 crores of revenue we can expect from the JJM projects in FY '24. So what would be your guidance, now?

**T.R. Rao** We are expecting around INR 2,000 crores revenue for next year.

**Ashish Shah:** But sir, why this reduction? And are we not expecting any incremental projects to also get approved in FY '24?

**T.R. Rao** See, Ashish ji, incremental projects are getting approved. But what is happening, these projects initially after low value things need to be executed initially and like solar instrumentation as well as the over-head tank with new technology and all, they are back-ended. So incremental thing is there, but this INR 2,000 crores, the experience what we got in the current financial year. So we are expecting around INR 2,000 crores execution. We'll definitely try to execute more amount, but as of now, our guidance is INR 2,000 crores.

**Ashish Shah:** And sir, last question again on this is that by when do we expect the entire JJM scope that we have to be approved in terms of DPR and available for execution?

**T.R. Rao** See, by the end of FY '25, we expect around 90% of the JJM scope by the end of FY '25. So only some residual payments will be left for FY '26.

**Ashish Shah:** So you're saying whatever JJM order book you have by FY '25, all the revenue will entirely be executed by and large by '25?

**T.R. Rao:** Yes, about 90% plus.

**Moderator:** The next question comes from the line of Mohit Kumar from DAM Capital.

**Mohit Kumar:** First question is on clarification. Do we have enough orders on Jal Jeevan Mission side, in the sense of order opportunities? Are there enough tenders available in the market now? And anything in the UP?

**T.R. Rao:** See, now total there are five phases. Out of five, four phases already bid out, there is one phase is still left. So that we are looking forward to having some opportunities there in that phase of the project. But the bids are not floated yet. So we'll come to know what would be the bid cost and what kind of opportunity maybe in next two to three weeks.

**Mohit Kumar:** That's on the UP, sir, anything apart from the UP which you are trying to bid?

**Yogesh Jain:** So as of now, we are not looking at, but going forward if some opportunities comes up in other states, so those opportunities has to pursue or not.

**Mohit Kumar:** And on the NHAI opportunity side, what kind of pipeline, which is available in the state of Uttar Pradesh, any rough ballpark number?

**Yogesh Jain:** As of now we have not calculated, but as we said, there are more than INR 1 lakh crores worth of projects are available to be bid out before March 31, say around 100 projects of almost INR 1,10,000 crores. We have not exclusively calculated about Uttar Pradesh, but there is a substantial amount of projects are there in the state of Uttar Pradesh.

**Mohit Kumar:** And sir, lastly, sir, on the margin side, are we seeing a reduction in prices, commodity prices, which should help the margin going forward?

**D.K. Maheshwari:** So this should be around that 13.5% should be able to maintain around that figure.

**Mohit Kumar:** Including JJM execution, right?

**D.K. Maheshwari:** Including JJM

**Moderator:** The next question comes from the line of Noel Vaz, Union Asset Management.

**Noel Vaz:** Yes. So in the order book it is mentioned, we have about INR 7,400 crores from water and canal projects. So I presume that when you say 95% completion by FY '25, you are talking about this particular portion of the order book, right?

**D.K. Maheshwari:** Sir, if you will see my presentation, so there, water canal is INR 7,400 crores Outstanding as on 31, December.

**Noel Vaz:** Second thing is that when we mentioned it is just a clarification, when you see 8,000 to 10,000 of new order flows by the end of FY '23. This is a net increase, right?

**T.R. Rao:** Yes, it's a net increase only.

**Moderator:** The next question comes from the line of Ash Shah from Elara Capital.

**Ash Shah:** So first question is can you just give the revenue breakup for this quarter between road, irrigation and JJM projects?

**D.K. Maheshwari:** Water, it was INR 267 crores. And this Canal project is INR 31 crores, remaining in the road sector.

**Ash Shah:** Also, can you give the breakup of between the canal project and water, JJM project on the order book front as of 31 December?

**D.K. Maheshwari:** Canal is INR 993 crores and water project is INR 6,420.

**Ash Shah:** And a follow-up on this question. So canal project, I had last week, spoke was that from January to June only, we can work. Otherwise, you cannot work for the rest of the year. So when can we complete this INR 993 crores worth of project?

**T.R. Rao:** See, we have got time up to 2025 because you see the water, they are releasing is more than what we expected. So we may get some kind of extension for the project. So we should be able to complete before the extended timeframe.

**Ash Shah:** How much are we expecting for calendar year '23 like for this period January to June revenue?

**T.R. Rao:** Calendar year '23 we'll be doing around INR 150 crores to INR 200 crores work during the calendar year '23.

**Ash Shah:** Just last question. On the monetization front, you said that we are planning for 12 projects, three are under execution. So is only one party buying all these 12 assets or we are selling it to different parties?

**D.K. Maheshwari:** Different investor interested.

**Yogesh Jain:** There are seven investors.

**D.K. Maheshwari:** Till now we have signed the NDA with the seven investors. They have shown their interest.

**Yogesh Jain:** Yes, see it might be even the one investor may take all the projects because however seven investors have shown for the entire portfolio together.

**Ash Shah:** So we are open to sell all the assets to one investor as well.

**Yogesh Jain:** Yes.

**Moderator:** The next question comes from the line of Sandeep Dixit of Arjav Partners.

**Sandeep Dixit:** Sir, just wanted clarification, I'm not sure that I heard the numbers correctly. Did you say that margins will be in the range of 21% to 21.5% going forward?

**D.K. Maheshwari:** In the range of 13.5% EBITDA margin.

**Sandeep Dixit:** So, if I look at the numbers, historically pre-COVID, your EBITDA margins were in the range of the high 20s. Has something structurally changed?

**D.K. Maheshwari:** No, that EBITDA margin was on a console basis, but we are talking on standalone basis EBITDA margin of EPC works.

**Sandeep Dixit:** Sir, can you please help me with the console number, sir, because I have got confused bit over that. What would be the guidance for the console margins?

**Yogesh Jain:** Console margin in nine months, it is 21.05%.

**Sandeep Dixit:** Sir, the other question I had was, you indicated the 10% Y-o-Y revenue growth. Is that for standalone as well or is it on consol?

**D.K. Maheshwari:** It is on standalone.

**Sandeep Dixit:** And would you have a guidance of consolidated?

**T,R. Rao:** See, what happened in some of the projects, like OMP projects got completed during the current calendar year. So we have to work out and we will come back to you.

**Moderator:** The next question comes from the line of Shravan Shah from Dolat Capital.

**Shravan Shah:** Sir, a couple of data points for fourth quarter, how much equity are we planning to put and for FY '24 and '25?

- D.K. Maheshwari:** Actually, in the fourth quarter, we are expecting INR 135 crores equity to be infused. And FY '24, around INR 450 crores to INR 500 crores.
- Shravan Shah:** And FY '25?
- D.K. Maheshwari:** INR 350 to INR 400 crores.
- Shravan Shah:** A couple of, sir, data points on the balance sheet front. So inventory, trade receivables, trade payables, retention money, unbilled revenue, mobilization advance and HAM debtors?
- D.K. Maheshwari:** Mobilizing advance is INR 388 crores on December '22. And retention is INR 134 crores.
- Shravan Shah:** Unbilled revenue, inventory receivable and trade payable.
- D.K. Maheshwari:** Trade receivable, so I think it is mentioned in the balance sheet also -- it is INR 1,197 crores
- Shravan Shah:** And out of that HAM debtor is?
- D.K. Maheshwari:** HAM debtor is INR 606 crores.
- Shravan Shah:** Inventory is?
- D.K. Maheshwari:** INR 745 crores of inventory total.
- Shravan Shah:** And trade payable? Sir, trade payable, creditors.
- D.K. Maheshwari:** INR 410 crores.
- Shravan Shah:** And unbilled revenue?
- D.K. Maheshwari:** INR 115 crores, which is a part of the inventory.
- Shravan Shah:** And now the project-wise order book, sir, so starting with the smaller one Bhojpur
- D.K. Maheshwari:** Bhojpur is only INR 7 crores, outstanding.
- Shravan Shah:** Chakeri to Allahabad?
- D.K. Maheshwari:** INR 139 crores.
- Shravan Shah:** Challakere-Hariyur?
- D.K. Maheshwari:** Challakere, INR 419 crores.
- Shravan Shah:** Lucknow Ring Road Package 1?
- D.K. Maheshwari:** INR 240 crores.
- Shravan Shah:** Jagdishpur-Faizabad?
- D.K. Maheshwari:** INR 310 crores.

- Shravan Shah:** Aligarh-Kanpur Package 5?
- D.K. Maheshwari:** INR 400 crores.
- Shravan Shah:** Unnao-Lalganj?
- D.K. Maheshwari:** INR 620 crores.
- Shravan Shah:** Meerut-Nazibabad?
- D.K. Maheshwari:** INR 430 crores.
- Shravan Shah:** Delhi-Vadodara Package 29.
- D.K. Maheshwari:** INR 150 crores.
- Shravan Shah:** Package 31.
- D.K. Maheshwari:** INR 220 crores.
- Shravan Shah:** Sir, this Gaju Village-Devinagar Bypass, what's the EPC value in order book? Mathura, sir, you have already give INR 788 crores. I'm talking Gaju Village, Devinagar Bypass Package-1C.
- D.K. Maheshwari:** INR 650 crores. That is also Mathura.
- Shravan Shah:** INR 650 crores. And sir, you mentioned the irrigation project INR 993 crores. But last quarter you mentioned INR 896, so there is a significant INR 100 crores kind of increase in scope of work?
- D.K. Maheshwari:** Yes, they have increased to INR 1,128 crores from INR 1,000 crores.
- Shravan Shah:** Lastly, in terms of the capex, how much we have done and what we are looking for this year, next year?
- D. K Maheshwari:** Till December, we have taken INR 37 crores. We are expecting to INR 100 crores of FY '23.
- Shravan Shah:** INR 37 crores we have done nine months. So we are close to INR 63 crores we are expecting in this quarter?
- D.K. Maheshwari:** Yes.
- Shravan Shah:** And the next year also the similar INR 100 crores-plus range?
- D.K. Maheshwari:** It should be INR 100-120 crores.
- Shravan Shah:** And in terms of the fund-based limit, how much we have utilized, I think the limit should be the same INR 1,000 crores and INR 5,000 crores in terms of the utilize how much?

- Yogesh Jain:** **Out of** INR 1,000 crores, fund-based limit there is no utilization and INR 5,000 crores non fund based limit we have utilized - INR 2,585 crores.
- Shravan Shah:** So it has reduced. And in terms of the debt level, how do we see by end of March?
- D.K. Maheshwari:** It should be around INR 200-300 crores.
- Shravan Shah:** And just to clarify, this quarter is INR 3.65 crores arbitration booked in revenue is entirely part of the EBITDA. There is no expense against that. And also in terms of the bonus last time, we mentioned that we were expecting some INR 15-odd-crores of bonus for Aligarh-Moradabad end of this quarter, fourth quarter. So have we received or are likely to be receiving this quarter?
- Yogesh Jain:** Revenue, it included only INR 40 lakh.
- Shravan Shah:** And Aligarh-Moradabad INR 15 crores bonus are we getting in this fourth quarter?
- Yogesh Jain:** We are expecting.
- Shravan Shah:** So the amount would be the INR 15 crores, and apart from that, any other bonus or previously, we were looking at Mumbai-Nagpur where clarity was not there and Delhi-Vadodara package 29 & 31. So are we expecting a broad range and when are we expecting to receive?
- T.R. Rao:** See, In case of Nagpur-Mumbai still the -- it is status quo, there's no clarity. The policy level they have to take a some decision. In BAV29, see, we are expecting some kind of a bonus completed before 17th of April. Similarly, BAV31 we should complete it before 17th of May, then there also you will get some kind of bonus. So going forward, we'll be able to share.
- Moderator:** The next question is from the line of Jiten Rushi from Axis Capital Limited.
- Jiten Rushi:** Just one thing I want to understand that you said in the initially to somebody else that BPC doesn't include GST, but TPC include GST. So when we get grant from NHAI, that will be 40% net of GST or it will be 40% total of the BPC?
- Yogesh Jain:** That is 40% of BPC-plus GST.
- Jiten Rushi:** So basically, when you are investing, you're getting that, including GST and you're investing equity also including GST. That is what I understand, correct, sir? So in this quarter, you said that there is increase in employee cost because of the INR 10 crores additional payment. Was my understanding correct or am I missing something?
- D.K. Maheshwari:** Actually, we are giving the annual increment. We have declared in the month of October and November, and we have given the arrears from January to October in this quarter. That is why you will see that my EBITDA margin slightly a little bit down as compared to last quarter.
- Jiten Rushi:** So what is that -- that total amount is INR 10 crores, right, sir?
- D.K. Maheshwari:** Otherwise, my EBITDA margin is in the range of 13.35% to 13.4%.

- Jiten Rushi:** So that is something which we do every third quarter. That is a phenomena, right? That is what I understand on it, sir. Sir, can you give the toll collection number, sir?
- D.K. Maheshwari:** Toll collection in Kanpur Highway is INR 20.5 crores. In Bareilly-Almora is INR 14.9 crores, Raibareli-Jaunpur to INR 32.16. MP Highway INR 9.27 crores.
- Jiten Rushi:** Sir, on which asset out of this, you're looking to sell in BOT toll asset, the one asset you just said?
- D.K. Maheshwari:** Only one project of Bareilly-Almora BOT project, otherwise, MP Highway and Kanpur Highway is going to be completed in '25.
- Jiten Rushi:** And sir, as you said there is an increase of INR 100 crores in the Canal project. So -- but the execution has been muted so far. So this will pick up probably this year. That is what you're trying to say because of the water, which has been heavy water flow for the canal project, as you said initially, right, sir?
- T.R.Rao:** Yes. Actually, we are effectively are able to do work for five months only in a year. So this is even -- initially, we start also able to do eight months, but effectively we are doing only five months. That is the issue. And the government also acknowledge the fact because that they have to provide water to the high-cut because farmers are there and they have a socio-political ramifications. So that is there.
- Jiten Rushi:** So basically sir, we have done almost INR 400 crores, INR 430 crores revenue from water and irrigation in first nine months, and with your opening remarks, you said INR 900 crores revenue in FY '23. So basically significant revenue in Q4, we are expecting, as you said correctly?
- T.R. Rao** Yes. See the INR 900 crores is from our drinking water sector, out of which already INR 500 crores,- INR 507 crores we have done. That is from the total drinking water sector and remaining around INR 400 crores we'll be doing in the Q3. This is the exclusive of canal.
- Jiten Rushi:** So basically nine months, you have done INR 507 crores. And now you will be doing balance INR 400 crores in Q4. So what is the canal revenue, sir? The 9 months and expected in Q4?
- D.K. Maheshwari:** The nine month canal revenue INR 114 crores.
- Jiten Rushi:** In Q4, we can do something?
- T.R. Rao:** Yes. Q4 we'll be doing around INR 20 crores, we'll be doing in Q4 because just now we started the work after receiving the water.
- Jiten Rushi:** That's it from my side. And sir, one last question, sorry. You said order inflow were INR 8,000 crores to INR 10,000 crores. So you were saying, some other projects also excluding roads. So anything excluding road we are expecting in this INR 8,000 crores to INR10,000 crores info or this is purely roads, highways?



- T.R. Rao:** It is mainly highway and Express ways only but in case the government bids for the water project under Phase 4. So some really some order book, we are expecting from that. But that depend upon the due date, bid date and other things. Water is the major thing
- Jiten Rushi:** The size of Phase 5, sir?
- T.R. Rao:** Of Phase 5 already awarded. Now only Phase 4 is pending.
- Jiten Rushi:** What is the size?
- T.R. Rao:** See the total under Phase 4 is around INR 10,000 crores worth of projects are there.
- Jiten Rushi:** And this is a last leg from UP?
- T.R. Rao:** Yeah,, this is the last leg of JJM and the state of Uttar Pradesh.
- Jiten Rushi:** And then any plans to go in other states?
- T.R. Rao:** We'll certainly evaluate the opportunities.
- Moderator** The next question comes from the line of Vasudev from Nuvama Group.
- Moderator:** The next question comes from the line of Vishal Periwal from IDBI Capital.
- Vishal Periwal:** And first of all, I think congratulations sir on maintaining the margins. I mean vis-a-vis like how the peers are -- I mean, they are coming up with the results. But my question is more on the execution side, sir. I think initial commentary was JJM allocation is increased, ministry road allocation has increased. We are having an order book, but why I think our guidance still remains in the range of 10% for this year, which again means like probably a muted growth in quarter four and next year will be 10% to 15%. So is there any approvals, which are pending, what are the equity concerns, I'm just trying to correlate with the macro and how we are riding sir?
- T.R. Rao:** Actually, in the current financial year FY '23, though we expected more than 10%, this year very uncharacteristically, the monsoon has extended. See monsoon has extended even the third week of October at many of our project sites, some of our water sites like Dahej and Pilibhit inundated totally, and even our roads was also affected badly. So we never expected because normally monsoon recedes in the month of September, but this year monsoon. So in fact, our Q3, we expected more revenue, but we settled at INR 1,600 crores something.
- So that is the reason in the current financial year, we are talking about 10% growth versus the previous financial year. So next year, 15%. Going forward, we'll see how the approvals are forthcoming and the two projects still appointed dates are to be declared, how this progress will pick up in this thing and how monsoon will behave in the next year. So these are the factors. So as of now, we are setting it at 15% growth over FY '23.
- Vishal Periwal:** And then second, this was more of a data point. What has been the inflow for us in nine months now? Order inflow for us in nine months this year?

- Yogesh Jain:** Nine months, we couldn't get any new orders in the nine months. Even compared to normally, it is a trend in NHAI. So in the fourth quarter only the maximum number of projects are bid out in the fourth quarter. As I said, INR 110 lakh crores worth of projects are there for bidding in the fourth quarter. Yes, we are expecting up to INR 8000-10,000 crores in the current quarter.
- Vishal Periwal:** And the last one is on the equity you mentioned, which you plan to increase over the next two years. Can you give a breakup in '24 and '25?
- Yogesh Jain:** '24 in the range of INR 450 crores to INR 500 crores. And in FY '25, INR 350 crores to INR400 crores.
- Moderator:** The next question comes from the line of Parvez Qazi of Nuvama Group.
- Parvez Qazi:** Sir, just one question from my side. What was the toll collection in Kanpur-Ayodhya project and the Eastern Peripheral Expressway project this quarter?
- D.K. Maheshwari:** Kanpur-Ayodhya already completed on October 01. So there was no collection in this quarter.
- Parvez Qazi:** And Eastern Peripheral Expressway Highway went on till November, right?
- D.K. Maheshwari:** Yes. It has completed on 10, November and till October and 10, November, collection was around INR 49 crores.
- Parvez Qazi:** And one question to Yogesh ji. I mean, do we expect that the prequalification norms for road projects will get changed anytime soon or whatever is has been going on for last two years, these things are going to continue now?
- Yogesh Jain:** We are expecting from last three months. So we will see what will happen. We can't say at present.
- Moderator:** The next question comes from the line of Prem Khurana of Anand Rathi Shares.
- Prem Khurana:** So, I think you have spoken a lot about the way it is, we've been able to make progress with our UP drinking water supply orders in terms of execution. Could you please talk about, how has our experience been in terms of payments cycle? We have already executed the part of the order backlog now? So are we receiving our payments in time?
- T. R. Rao:** The water -- drinking water thing, payments are reasonable. But the only issue is that we need to bill for each scheme, InGram Panchayat, we have to raise a separate bill. So the billing Gram Panchayat level, is a very burdensome. So if you are doing a work in 1,000 Gram Panchayat, you have to write 1,000 bills every month. So that is taking time consuming. Post that, there is certification and all is taking time. But payments we are getting regularly. Only thing that the preparation, submission and certification is taking time.

- Prem Khurana:** So when I look at our trade receivable for the quarter, right, INR 1,197-odd-crores, you said INR 607-odd-crores for HAM projects. So balance INR 600 crores, how would this be split between, let's say, our road EPC and the water EPC canal as well as, JJM put together?
- Yogesh Jain:** Yes, this is inclusive of everything, canal, water and other EPC projects.
- Prem Khurana:** But sir, how will be that split between road and water. Would you have that number readily available?
- D.K. Maheshwari:** Water is -- around INR 114 crores outstanding.
- Prem Khurana:** And in terms of -- how many BPL are we approved by now? And how many more are we expecting to get approved in this quarter in Q4?
- T.R. Rao:** Around 1,200 schemes approved, out of, say, 2,700, 1,200 schemes approved for a value of around INR 2,700 crores as of now. And as of 31, December, and they are progressively approving. So we expect all the schemes will be approved before 30, June of this year.
- Prem Khurana:** So entire INR 7,000- -crores that we have is for the thing will be actually...?
- T.R. Rao:** Actually it is around INR 6,500 crores. So our schemes are expected to be approved before middle of this, calendar year.
- Prem Khurana:** And I mean in terms of because roads has become big for us, and we're gradually seeing even our water gain some size now. Generally, it tends to take us some time to be able to kind of stabilize or operating any new segment that you get into opportunity, to be able to find any new opportunity also takes some time. So have you started looking at any newer segments to decide roads and water, railways or metros or anything of that sort?
- T.R. Rao:** We are looking at, see where we find some synergies, definitely, we are looking at projects. But as of now, firmly you can't say, but our focus will continue to remain on highways.
- Prem Khurana:** And just one last one from my side. I think so on the monetization part, I think earlier, we were looking to monetize six hybrid annuities, one BOT toll and one BOT annuity and it seems there has changed right now you're looking at 11 HAM and one BOT toll. So BOT annuities you are not planning to go with the transaction. And would the -- I mean, the prospective buyer be the same, which were there earlier for these eight assets that we had or these are all new seven new prospective buyers now. So I also try and understand and relate, the process starts afresh or it is as it essentially continues from the last quarter?
- T.R. Rao:** No, it is a fresh because the composition of the portfolio is now different. And seven HAM projects is comprising, five already completed and six under construction and one BOT toll. This time, we have not included BOT annuity project, so these all are there. And so far 8-10 prospective investors have shown their interest and we signed NDAs with them. Out of that, a couple of players for their earlier also, but majority of them are new.

- Prem Khurana:** And when you say, I mean, of the 11 HAM, two HAM plus one BOT toll is at advanced stage, would you be able to share how much is the equity between these three invested?
- D.K. Maheshwari:** In all the 12 projects, equity around INR 1,500 crores and debt is around INR 6,800 crores.
- Prem Khurana:** Sir, you were saying in those three, two HAM and one BOT. For those, separately would the numbers be possible?
- D.K. Maheshwari:** Yes. Three HAM projects is around INR 1700 crores debt and equity INR360 crores.
- Moderator:** We have a question from the line of Jiten Rushi from Axis Capital.
- Jiten Rushi:** One last question on that claims, which you said INR 3.65 crores. So we -- if you said INR 40 lakhs is in revenue and balance is in interest, so that doesn't fits into the numbers, sir. So sir, can Can you please explain?
- D.K. Maheshwari:** Actually, in this quarter, we have booked the revenue around only INR 40 lakh. Earlier already we have booked around INR 1.50 crores, earlier period.
- Jiten Rushi:** That was when, sir?
- T.R. Rao** See, this project was completed way back in 2016. They not paid the finance bill and other due payments. So these revenues were booked earlier and only the additional revenue, incremental revenue of INR40 lakhs will go and also the interest.
- Jiten Rushi:** So basically INR 40 lakhs in revenue, INR 1.6 crores and INR 1.5 crores already booked earlier.
- Moderator:** No, there are no further questions at this time.
- Jiten Rushi:** Sir, any closing remarks from your side?
- Yogesh Jain:** Yes, Thank you, everyone, for your participation in our earnings call. In case of further queries, you may get in touch with the Strategic Growth Advisors, our investor relation advisors or feel free to get in touch with us. Thank you very much.
- Moderator:** Thank you. On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.